

FISCAL NOTE

Bill #: SB0419

Title: Revise moratorium on creation of new school districts

Primary Sponsor: Ryan, D

Status: As Introduced

Sponsor signature

Date

David Ewer, Budget Director

Date

Fiscal Summary

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
Expenditures:		
General Fund	\$0	\$0
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input checked="" type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

Office of Public Instruction (OPI)

1. Two school districts in the state have expressed interest in applying this bill to their circumstances: Lockwood Elementary/Billings High School in Yellowstone County and Ophir Elementary/Bozeman High School in Gallatin County.
2. The ANB at Billings High School who live within the Lockwood Elementary district in FY 2006 is estimated at 531 and 566 ANB in FY 2007. The ANB at Bozeman High School who live within the Ophir Elementary district is estimated at 68 for FY 2006 and 60 in FY 2007.
3. Ophir Elementary and Bozeman Elementary schools in Gallatin County are not eligible to guaranteed tax base aid in FY 2006 or FY 2007.
4. A portion of the Bozeman High School territory would transfer to Ophir K-12 (Taxable valuation = \$14.05 million) and Billings High School territory would transfer to Lockwood K-12 (Taxable valuation = \$13.87 million).
5. The high schools the ANB is moved from does not lose the ANB until the second year, but the new high school will receive ANB for the same ANB. Therefore, for the first year of the new schools, ANB is counted twice.

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(continued)

6. If these two districts were to convert to K-12 districts immediately, the increased direct state aid would be \$1.64 million in FY 2006 and \$0.28 million in FY 2007; increased guaranteed tax base aid would be \$1.40 million in FY 2006 and \$0.19 million in FY 2007.
7. The new high school district at Ophir would not be eligible to debt service facilities reimbursement for bonding. However, the new high school district at Lockwood would be eligible to \$0.24 million. This would have not fiscal impact to the state because the facilities reimbursement is a set allocation, which is prorated to eligible districts.

LONG-RANGE IMPACTS:

School personnel at Lockwood have indicated that the Lockwood district would not be in a position to open a new high school in the 2007 biennium. For the purposes of this fiscal note, it is assumed that no elementary district will complete the process of converting to a K-12 district and opening a new high school before the end of the 2007 biennium therefore no fiscal impact in the current biennium. Significant long term state and local costs will occur if school districts use the provisions of this bill to create new high school districts.